REMARKS

Claims 1-93 are currently pending in the application. Claims 4, 7-9, 12, 14, 15, 44, 59, 69-78, and 86 are withdrawn by previous amendment.

Claim Objections

Claim 21 is objected to because of a typographical error. The claim has been amended to correct the noted error.

Applicant has also amended claims 18, 31, 47, and 64 to correct grammatical errors introduced by previous amendments.

35 U.S.C. § 101 Rejections

Claims 1, 3, 5, 10, 13, 16, 22, 37, 38, 40, 41, 43, 45-51, 55-57, 61-68, 79, and 81-85 stand rejected as being directed to non-statutory subject matter. Applicant respectfully traverses this rejection as hereinafter set forth.

Independent claims 1, 37, 56, and 79 have been amended as suggested by the Examiner to encompass a technological means. Based on these amendments, Applicant respectfully requests that the rejection of the aforementioned claims under 35 U.S.C. § 101 be withdrawn.

35 U.S.C. § 102(b) Rejections

Claims 1, 3, 5, 10, 11, 13, and 20 stand rejected under 35 U.S.C. § 102(b) as being anticipated by Georgetown University Online Payroll Publication (hereinafter "Georgetown"). Applicant respectfully traverses this rejection, as hereinafter set forth.

A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference. *Verdegaal Brothers v. Union Oil Co. of California*, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). The identical invention must be shown in as complete detail as is contained in the claim. *Richardson v. Suzuki Motor Co.*, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989). Georgetown discloses a method of payroll access comprising: receiving a request from an employee; forwarding funds to the employee on demand; and deducting forwarded amounts from the employee's check.

Claim 1, as currently amended, specifies that an employee requests payroll access electronically. Georgetown expressly teaches access using a written request. Georgetown, section 1010.3. Nowhere is an electronic version of the Request for Payroll Advance contemplated. All of the claims that stand rejected under 35 U.S.C. § 102(b) are dependent claims of the amended claim 1. Based on this amendment, Applicant respectfully requests that the rejection of the aforementioned claims under 35 U.S.C. § 102(b) be withdrawn.

35 U.S.C. § 103(a) Rejections

Claims 19, 21, 22, 37, 38, 40, 41, 43, 48-51, 56, 57, 61, 62, and 65-68 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Georgetown in view of Official Notice. Applicant respectfully traverses this rejection, as hereinafter set forth.

M.P.E.P. 706.02(j) sets forth the standard for a Section 103(a) rejection:

> To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be **some suggestion or motivation**, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the

> reference or combine reference teachings. Second, there must be a reasonable expectation of success. Finally, **the prior art reference (or references when combined) must teach or suggest all the claim limitations.** The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991). (Emphasis added).

Claims 19, 48, and 65 stand rejected under 35 U.S.C. § 103(a) over Georgetown in view of Official Notice that electronic transfer of funds as disclosed in the rejected claims was well known in the art. Applicant concedes that electronic funds transfers were widely known and used by employers at the date of filing of the present invention.

Applicant suggests, however, that the use of electronic funds transfer to fulfill a request for payroll advance was not obvious at the time, otherwise a large organization such as Georgetown University would likely have sought to avail itself of the convenience provided by this method. Instead, though electronic funds transfer is used in Georgetown for regular employee payrolls (see Georgetown section 1010.2), a written request is explicitly required for payroll advances, with no mention of the convenience of electronic funds transfer. In fact, Georgetown continued to follow the same procedure, without implementing the advance that the Examiner suggests is obvious, nearly seven years after the original procedure in Georgetown was implemented. (By reference to the March 2004 date of Examiner's Georgetown reference.) It would appear that if electronic transfers of payroll advances were obvious, Georgetown would have updated their procedure, or perhaps mentioned it as a possibility in the future. Neither is suggested by the evidence.

Further, there is no suggestion or motivation shown in Georgetown for combining an electronic request for a payroll advance as disclosed in the amended independent claims of the present invention with the electronic transfer of such a payroll advance. Neither transaction appears to be contemplated in the claimed form by the reference cited or by the Officially Noticed fact that electronic funds transfer alone was commonly known.

Claims 21, 22, 37, 50, 51, 56, and 68 stand rejected under 35 U.S.C. § 103(a) over Georgetown in view of Official Notice that the imposition of a transaction fee on an employee is old and well known in the art. As stated above, there is no suggestion or motivation shown in Georgetown or by the Official Notice for combining an electronic request for a payroll advance as disclosed in the amended independent claims of the present invention with charging a fee to the employee for a payroll advance. Georgetown refers to payroll advances as provided to employees to give "financial security during extreme emergency situations." Georgetown, section 1010.1. Payroll advances are thus presented as an employee benefit, and one which must be approved by a University Vice President. Georgetown, section 1010.3. Though transaction fees are commonly known, to extract one in such a benefit-oriented situation appears unlikely. Further, if such a fee were reasonable, it would appear that an institution of higher education–typically having limited budgets compared to commercial organizations–would be among the first to implement this method of defraying costs. Yet again, as late as 2004, no fee appears to have been implemented. Applicant respectfully suggests, therefore, that the aforementioned claims related to charging a transaction fee for a payroll advance were not obvious over Georgetown in view of Official Notice.

Claims 49 and 66 stand rejected under 35 U.S.C. § 103(a) over Georgetown in view of Official Notice that employers limit the number of payroll advances an employee is granted in a given period of time. Applicant respectfully notes that the rejected claims disclose limiting the *dollar sum* of a payroll advance, stated in the claims as "limited to a predetermined amount", rather than limiting the *number of advances* permitted during a period of time, as stated in the Officially Noticed factor. The difference between these two modes of limitation is significant. An employer, for example, might limit the number of payroll advances to two per year as a matter of policy in order to defray extra transaction expenses or to encourage employees' fiscal responsibility. As disclosed in the present invention, however, an employer is more likely to feel comfortable permitting payroll advances without a predetermined numerical limit, but rather based on the factors enumerated in claims 49 and 66. Suppose, for example, that one employee regularly needs a small part of his paycheck early. He pays a small fee, as disclosed in the present invention, for the privilege of obtaining each regular advance; his employment history is lengthy and stable. The employer can provide this benefit to the employee without incurring undue risk or expense by relying on the methods disclosed in the present invention, namely the fee and factors used to determine the amount of each payroll advance. These operate as a sort of balancing test between the financial needs of the employee and the risk borne by the employer.

Based on these discussions of the Officially Noticed facts, Applicant respectfully requests that the rejection of claims 49 and 66 under 35 U.S.C. § 103(a) over Georgetown in view of Official Notice be withdrawn.

Claims 1, 2, 6, 16-18, 23-37, 39, 42, 45-47, 52, 53, 58, 60, 63, 64, 79-85, and 87-93 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,473,500 (hereinafter "Risafi") in view of Georgetown. Applicant respectfully traverses this rejection, as hereinafter set forth.

Risafi does indeed disclose an electronically based payroll system that employs means similar to those disclosed in the present invention. Compared to the present invention, however, Risafi presents several fundamental differences–differences which are not overcome by reference to Georgetown.

Risafi discloses a payroll system where funds transfers are initiated by the employer and retrieved based on a Personal Identification Number established by an employee. Col. 18, lines 24-26 and 30-32. The present invention discloses a system where funds transfers are initiated by the employee, after preauthorization by the employer.

Risafi discloses a system where funds are transferred electronically on a regular and repeated basis as a substitute for standard electronic payroll deposit or paper checks. Col. 8, lines 21-24. The present invention discloses a system in which payroll advances are permitted only in limited amounts based on the disclosed factors, and which acts as an adjunct to the employer's standard payroll system.

Risafi discloses a system in which an employer deposits funds into the account of an employee, albeit a temporary account based on the designedly temporary nature of the prepaid cards disclosed in Risafi. Col. 8, lines 5-14. Conversely, the present invention contemplates an employee effectively withdrawing money from the employer's account. This is money which

they would not yet be entitled to receive except for the authorization and disbursement methods disclosed in the present invention.

Examiner might initially suppose that these comments on Risafi present a series of distinctions without a real difference. But such an assumption ignores the difficulties encountered when processing payroll advances–difficulties not addressed by the disclosure in Risafi. These include tracking disbursements separately from regular payroll; deducting one-time or occasional advances from a future paycheck; accounting for transaction costs and fees (if charged); and administering various factors to determine eligibility amounts for payroll advances. None of these are considered in Risafi.

Risafi discloses a large number of embodiments, including a) a prepaid telephone calling card (col. 7, lines 56-57); b) a credit card for non-credit worthy consumers (col. 7, lines 11-15); c) traditional payroll fulfillment (col. 8, lines 21-22); d) gift cards (col. 9, lines 26-27); e) commercial promotions (col. 9, lines 34-35); f) as a replacement for wire transfer of funds (col. 9, lines 51-52); and g) a spending account for corporate relocation expenses (col. 9, lines 58-60). Given the broad range of embodiments noted in Risafi's disclosure, only impermissible hindsight can suggest that payroll advances were an obvious extension to the invention therein discussed.

In view of these comments, Georgetown is also extremely unlikely to have led to an obvious extension of Risafi. Georgetown itself has not adopted such a system for payroll advances, but retains its paper-only system as of March 2004. More relevant, no one else appears to have adopted Risafi for payroll advances, despite the incentives to do so, which include increased convenience for employers and employees, and additional revenue for employers.

Surely, if payroll advance payments were an obvious extension of Risafi, given the number of employers who offer payroll advances, such an extension would have been taken up and promoted by those with the most to gain: the corporations currently promoting prepaid payroll cards.

Based on these comments regarding the conceptual differences between Risafi and the present invention, Applicant respectfully requests that the rejection of the aforementioned claims under 35 U.S.C. § 103(a) over Risafi in view of Georgetown be withdrawn.

Claims 54 and 55 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Risafi in view of Georgetown as applied to claim 37, and further in view of Official Notice that it is old and well known for employees to post payroll information online and permit other parties to access that information.

Applicant respectfully traverses this rejection over Risafi in view of Georgetown by reference to the arguments set forth previously with respect to Claim 37.

Applicant respectfully traverse this rejection in further view of Official Notice as hereinafter set forth.

The references and Official Notice cited include no suggestion or motivation that would in any way indicate a combination of elements as found in the present invention. Although posting an employee's payroll information online and permitting authorized access by third parties is old and well known, the addition of payroll advance information involves complications that are not foreseen by the prior art cited, including the additional accounting, tracking, and administrative items noted previously with regard to Risafi. Furthermore, the

combination of an electronic request, electronic disbursement, and electronic posting of payroll information is nowhere hinted at or suggested by any of the cited references. In view of these facts, Applicant respectfully requests that the rejection of claims 54 and 55 under 35 U.S.C. § 103(a) over Risafi in view of Georgetown and in further view of Official Notice be withdrawn.

Entry of Amendments

The amendments to claims 1, 18, 21, 31, 37, 47, 56, 64, and 79 above should be entered by the Examiner because the amendments are supported by the as-filed specification and drawings and do not add any new matter to the application. Further, the amendments do not raise new issues or require a further search.

Conclusion

The claims as amended are believed to be in condition for allowance, and an early notice thereof is respectfully solicited. Should the Examiner determine that additional issues remain which might be resolved by a telephone conference, he is respectfully invited to contact Applicant's undersigned attorney.

DATED this 27th day of September, 2004.

Respectfully submitted,

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